

## Message Text

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PAGE 01 ABIDJA 06506 110945Z  
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SUBJECT: FOREIGN ECONOMIC POLICY TOWARD AFRICA

REF: STATE 164983

1. OUR COMMENTS ON DISCUSSION PAPER ON FOREIGN ECONOMIC POLICY  
TOWARD AFRICA (REFTEL) ARE AS FOLLOWS.

2. INFRASTRUCTURE. LACK OF ADEQUATE TRANSPORT CONTINUES TO BE  
A MAJOR DEVELOPMENT CONSTRAINT IN WEST AFRICA. RECENT AID TO  
SAHELIAN COUNTRIES HAS BEEN FOCUSED ON TERTIARY ROADS. HOWEVER,  
MANY SAHELIAN COUNTRIES ARE COMPLETELY LACKING IN BASIC INFRA-  
STRUCTURE AND ASSISTANCE TO PRIMARY AND SECONDARY ROAD BUILDING  
PROJECTS COULD BE JUSTIFIED IN TERMS OF MOVEMENT OF AGRICULTURAL  
PRODUCTS. IN ADDITION, INSUFFICIENT ATTENTION HAS BEEN PAID TO  
TRANSPORT LINKS BETWEEN THE COASTAL STATES AND THE LAND-LOCKED  
SAHELIAN COUNTRIES.

3. IN THE SAHELIAN ZONES WE DOUBT THAT ENCOURAGING OFFICIAL  
ASSISTANCE FOR INFRASTRUCTURE SUCH AS ROADS IN COMBINATION WITH  
PRIVATE INVESTMENT IS A PRACTICAL SOLUTION. THIS MAY, HOWEVER,  
BE FEASIBLE IN COASTAL COUNTRIES IN LIMITED AREAS WHERE HIGHER  
VALUE AGRICULTURAL CROPS ARE PRODUCED.

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PAGE 02 ABIDJA 06506 110945Z

4. LARGE SCALE IRRIGATION PROJECTS IN THE SAHEL HAVE  
NOT BEEN VERY SUCCESSFUL IN THE PAST. CAPITAL COSTS  
PER HECTARE HAVE BEEN VERY HIGH AND THE NUMBER OF  
BENEFICIARIES REACHED RATHER LOW. SPECTACULAR LEAPS  
IN AGRICULTURAL PRODUCTIVITY HAVE RARELY OCCURRED IN  
PRACTICE.

5. CAREFUL ASSESSMENT NEEDS TO BE MADE OF THE FEASIBILITY OF DAM CONSTRUCTION IN SELECTED SITES WHERE THE MAJOR EMPHASIS IS ON PRODUCTION OF HYDRO-ELECTRICITY. WITH MOST WEST AFRICAN COUNTRIES FACING INCREASING PROBLEMS WITH THE HIGH COST OF ENERGY, MORE EMPHASIS NEEDS TO BE PLACED ON MAKING THEM LESS DEPENDENT ON THERMAL POWER. INCREASES IN AGRICULTURAL PRODUCTION WILL CERTAINLY RESULT, BUT AT HIGH CAPITAL COSTS PER CAPITA.

6. CONCENTRATION IN EXPORTS. SUPPORT FOR COMMODITY EXPORT DIVERSIFICATION THROUGH BILATERAL ASSISTANCE MAY HAVE SOME LIMITED APPLICABILITY, ESPECIALLY IN COASTAL COUNTRIES. AGROCLIMATIC CONDITIONS IN MUCH OF THE SAHEL WOULD DISCOURAGE DEVELOPMENT OF NEW EXPORT CROPS.

7. THE GOIC WOULD PROBABLY REGARD U.S. PARTICIPATION IN A NEW COCOA AGREEMENT AS THE SINGLE MOST IMPORTANT MEASURE THE U.S. COULD TAKE TO ASSIST THE IVORY COAST IN ITS DEVELOPMENT EFFORT. THE GOIC REGARDS THE INITIAL U.S. PROPOSALS ON THE FORM OF A NEW AGREEMENT AS VERY ENCOURAGING (SEE ABIDJAN 6065).

8. LIMITED SUPPORT FOR EXPANSION OF PROCESSING OF RAW MATERIALS IN COUNTRIES OF ORIGIN MAY BE BENEFICIAL. ASSISTANCE WITH DESIGN AND TECHNOLOGY TO BE EMPLOYED LIMITED OFFICIAL USE

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PAGE 03 ABIDJA 06506 110945Z

IN NEW FACTORIES COULD BE VERY APPROPRIATE IN COUNTRIES CONSIDERING STATE OWNERSHIP OF FACILITIES.

9. MANPOWER SHORTAGES. SUPPORT FOR EXPANDED EDUCATION AND TRAINING OF AFRICANS AT EITHER AFRICAN OR U.S. INSTITUTIONS WOULD HELP BREAK A SEVERE CONSTRAINT TO ECONOMIC DEVELOPMENT, ESPECIALLY IN THE SAHELIAN COUNTRIES. SUCH ASSISTANCE HAS BEEN EXTREMELY SUCCESSFUL IN THE PAST. DIRECT BILATERAL BUT NON-PROJECT RELATED ASSISTANCE WOULD BE ESPECIALLY VALUABLE IN SELECTED SCARCITY AREAS, I.E., ALL CATEGORIES OF ENGINEERS IN SAHELIAN COUNTRIES.

10. MINI-STATES AND MINI-MARKETS. INCREASED EMPHASIS ON WEST AFRICA AS A TRADING AREA ENCOMPASSING COMPLEX INTER-RELATIONSHIPS BETWEEN COASTAL COUNTRIES AND THEIR INLAND NEIGHBORS WOULD RESULT IN IMPROVEMENTS IN ASSISTANCE PLANNING. IN MANY CASES ASSISTANCE IN CONDUCTING REGIONAL ECONOMIC STUDIES MAY BENEFIT BOTH THE REGIONAL INSTITUTIONS AND THE DONOR COUNTRIES.

1. HEALTH. ENDEMIC REGION-WIDE DISEASES, MANY OF

WHICH ARE WATER-BORNE, DO INDEED POSE MAJOR PROBLEMS IN WEST AFRICA. THIS IS AN AREA WHICH SEEMS TO US PARTICULARLY WORTHWHILE FOR INCREASED U.S. EFFORT. WE MUST, HOWEVER, BE AWARE THAT LITTLE RESEARCH DATA IS CURRENTLY AVAILABLE ON THE COST-EFFECTIVENESS OF VARIOUS METHODS OF BOTH PREVENTIVE AND CURATIVE APPROACHES TO CONTROL. MORE CAREFUL MONITORING IN SMALLER AREA STUDIES COULD YIELD DATA ON WHICH LARGER PROGRAMS COULD AND SHOULD BE BASED.

12. ENERGY. MANY SAHELIAN TOWNS ARE FACED WITH INCREASING PROBLEMS AND COSTS ASSOCIATED WITH THE USE OF FIREWOOD AS A COOKING FUEL. SOLAR COOKERS STILL APPEAR TO BE EXTREMELY COSTLY. MORE ATTENTION LIMITED OFFICIAL USE

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PAGE 04 ABIDJA 06506 110945Z

MIGHT BE DEVOTED TO FEASIBILITY OF COMMERCIAL CHARCOAL PRODUCTION IN MORE TROPICAL AREAS FOR SHIPMENT TO FUEL-DEFICIT AREAS.

13. ALTHOUGH THE IDEAS SET OUT IN REFTTEL APPEAR TO US TO BE AN IMAGINATIVE AND USEFUL APPROACH, WE WOULD ALSO LIKE TO SUGGEST THAT ANOTHER FACTOR -- THE EFFICIENCY OF THE HOST GOVERNMENT -- BE CONSIDERED IN ALLOCATING RESOURCES. IT APPEARS TO US THAT AID GIVES LITTLE CONSIDERATION WHEN ALLOCATING ITS RESOURCES BETWEEN COUNTRIES TO THE HONESTY AND EFFICIENCY OF THE HOST GOVERNMENTS. YET SOME AFRICAN GOVERNMENTS ARE SO CORRUPT OR FOLLOW ECONOMIC POLICIES THAT ARE SO UNSOUND THAT THEY WOULD PRECLUDE THE POSSIBILITY OF ECONOMIC GROWTH, EVEN IF MASSIVE FOREIGN AID WERE TO BE RECEIVED. IT APPEARS TO US THAT AID SHOULD SHIFT RESOURCES TO THOSE COUNTRIES WHOSE GOVERNMENTS ADOPT POLICIES WHICH FACILITATE RATHER THAN IMPEDE ECONOMIC GROWTH.

14. ONE OF THE MAJOR REASONS THAT AMERICAN PUBLIC SUPPORT FOR FOREIGN AID IS SO THIN TODAY IS THE BELIEF, IN PART JUSTIFIED, THAT AID PROGRAMS HAVE PRODUCED LITTLE TO SHOW FOR THE MONEY SPENT. IT APPEARS TO US THAT CONCENTRATING AID'S LIMITED RESOURCES ON THE BEST RUN COUNTRIES WOULD MAKE IT POSSIBLE TO PRODUCE MORE SIGNIFICANT RESULTS AND PERHAPS INCREASE PUBLIC AND CONGRESSIONAL SUPPORT FOR AID PROGRAMS. STEARNS

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